

AMENDED IN ASSEMBLY APRIL 18, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1387**

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**Introduced by ~~Committee on Labor and Employment (Roger Hernández (Chair), Alejo, Chau, and Holden)~~ Assembly Member Roger Hernández**

March 4, 2013

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An act to *amend Section 2055 of, and to repeal* Section 2067 of the Labor Code, relating to car washes.

LEGISLATIVE COUNSEL'S DIGEST

AB 1387, as amended, ~~Committee on Labor and Employment~~ *Roger Hernández*. Car washes.

Existing law regulates the employment practices of car washes, including providing specific recordkeeping requirements that employers of car washes must implement with regard to car washer wages, hours, and working conditions, under the enforcement authority of the Division of Labor Standards and Enforcement. Existing law ~~also~~ requires employers of car washes to register with the Labor Commissioner and pay a specified registration fee, or be subject to a specified civil fine. The fines and registration fees are deposited into the Car Wash Worker Restitution Fund and the Car Wash Worker Fund and, upon appropriation by the Legislature are made available to be disbursed by the commissioner, as specified, and to be applied to costs incurred by the commissioner in administering these provisions. *Existing law also requires employers of car washes to post a \$15,000 bond for the benefit of the state to compensate employees damaged by the employer's nonpayment of wages.* Existing law repeals these provisions on January 1, 2014.

*This bill would increase the employer's bond requirement amount to \$150,000, but would exempt an employer from that requirement if the employer has a collective bargaining agreement in place that meets specified criteria.*

This bill would *also* delete the repeal date of the provisions described above, thus extending those provisions indefinitely.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 2055 of the Labor Code is amended to*  
2     *read:*

3     2055. The commissioner may not permit any employer to  
4     register, nor may the commissioner permit any employer to renew  
5     registration until all of the following conditions are satisfied:

6     (a) The employer has applied for registration to the  
7     commissioner by presenting proof of compliance with the local  
8     government's business licensing or regional regulatory  
9     requirements.

10    (b) The employer has obtained a surety bond issued by a surety  
11    company admitted to do business in this state. The principal sum  
12    of the bond shall be not less than ~~fifteen~~ *one hundred fifty* thousand  
13    dollars ~~(\$15,000)~~ *(\$150,000)*. The employer shall file a copy of  
14    the bond with the commissioner.

15    (1) The bond required by this section shall be in favor of, and  
16    payable to the people of the State of California and shall be for  
17    the benefit of any employee damaged by his or her employer's  
18    failure to pay wages, interest on wages, or fringe benefits, or  
19    damaged by violation of Section 351 or 353.

20    (2) Thirty days prior to the cancellation or termination of any  
21    surety bond required by this section, the surety shall send written  
22    notice to both the employer and the commissioner, identifying the  
23    bond and the date of the cancellation or termination.

24    (3) An employer may not conduct any business until the  
25    employer obtains a new surety bond and files a copy of it with the  
26    commissioner.

27    (4) *This subdivision shall not apply to an employer covered by*  
28    *a valid collective bargaining agreement, if the agreement expressly*  
29    *provides for all of the following:*

1 (A) *Wages.*

2 (B) *Hours of work.*

3 (C) *Working conditions.*

4 (D) *An expeditious process to resolve disputes concerning*  
5 *nonpayment of wages.*

6 (c) The employer has documented that a current workers'  
7 compensation insurance policy is in effect for the employees.

8 (d) The employer has paid the fees established pursuant to  
9 Section 2059.

10 ~~SECTION 1.~~

11 ~~SEC. 2.~~ Section 2067 of the Labor Code is repealed.